

Insurance for Motor Cars Dates Back to 1898

British Underwriters Apparently First to Write Public Liability Form for Autos, Which Is Now Widely Used

By L. H. Goldberg

There seems to be some question whether public liability automobile insurance was first written in England or the United States. It was probably the former. This form of insurance was started in 1898. The English underwriters began with the form which they called "third party indemnity." This was applicable only to cars of the private passenger type. There was one English experiment about 1894 covering public liability on some electric cabs, but the loss ratio was so disastrous that the policies were cancelled in a few months and thereafter no serious attempt appears to have been directed to automobile insurance until the year 1898.

Fire insurance coverage, of course, could be had at that time, but not under the form which subsequently became the basis for the modern fire form. In those days the fire insurance coverage applied to automobiles was the same as would apply to any stock of goods. It did not cover the most vital part of the present fire form, namely, fire caused within the machine itself by pre-ignition, back firing or explosion.

The original public liability form was rather limited. This policy covered public liability only, with a maximum limit of \$2,500. There were no individual accident limits under this policy, the company's liability during the entire policy year being limited in any event to a sum not exceeding \$2,500. The premium was \$50 and covered cars of all horse powers.

Better Limits Allowed

In the following year the public liability policy was broadened to the extent of providing higher limits, \$1,250 for a single accident with \$5,000 limit under the policy for the year. The premium charge for this coverage was \$7.50 for passenger cars of all horse powers, excluding the passenger hazard.

As in the previous year, the company limited the amount it could possibly lose, irrespective of the number of accidents the car might cause. That year incidentally marks the issuance, beyond the experimental stage, of the public liability form on motor cabs and passenger-carrying vehicles; the rates for the limits just mentioned varying from \$50 for a vehicle holding

two passengers to \$100 for a vehicle holding eight passengers.

This year was marked with them the beginning of the collision form or as they called it, "accidental damage." For a premium charge of approximately \$37.50, collision insurance of \$500 was granted with \$25 deductible on every claim, which by the way, marked the beginning of the \$25 deductible clause. The collision coverage was restricted to collision with another vehicle and the amount of insurance was limited to the policy year.

In 1900 the contract remained practically the same, but an option of different limits was provided; a premium of \$20 purchasing limits of \$500 for a single accident and \$2,500 limit for the year. For passenger hazard \$7.50 extra was charged for each two passengers for the lower limits and \$10 extra for each two passengers for the higher limits.

A very important change, however, was made in the collision form. Up to this time the collision coverage was limited to collision with a moving vehicle, and at this time the collision form broadened, so that it covered impact with any object. The premium was increased to \$50 for \$500 insurance, with \$25 deductible for each claim.

Modern Form Begins

The year following, or 1901, records some progress for it marks the beginning of our modern fire and theft forms, and also for them the first issuance of the property damage coverage. In that year the public liability insurance for the first time public liability insurance on commercial vehicles. That year also shows a change in the collision coverage by the exclusion of fire and damage to rubber tires, and also reduction in the deductible clause to \$22.50. At that time for a premium of approximately \$42 a policy could be obtained providing public liability, collision and theft with a limit of \$500 for the year for each of these forms, this applying to private cars of not exceeding twelve horsepower, and excluding the passenger hazard.

Up to this time the premiums were not regulated in any way by the horsepower. That was undoubtedly due to the fact that up to that year cars of more than twelve horsepower were very rare.

Motoring Topics

Magistrates House and Cobb are to appear before the grand jury in the inquiry into automobile speeding. No doubt as the representatives of the motorists.

Just the same, we are with Wallstein. What good reason is there for a private citizen mounting Police Department insignia on his car unless he had the idea of some special immunity because of it? The actions of the average "D. D." car that we have observed rather bear this out.

S. A. Miles, manager of the automobile shows for the National Auto-

mobile Chamber of Commerce, who has just returned from a three months' trip abroad, reports that the English and French are keen for American cars and that manufacturers over there are now getting into production. M. L. Hemmings, general manager of the Motor and Accessory Manufacturers' Association, also just returned from abroad, reports the foreign car look in the automobile industry not at present a bright one. He says the cost of operation of cars is a deterring factor, as in France today gasoline costs about \$1.35 a gallon. Mr. Hemmings also says that both in England and France there is opposition to American aggressive sales and that the British regard us as a menace to their home industries and are discussing actively methods of meeting American competition.

This latter view is also supported by evidence of American manufacturers who have found their goods savagely and often unfairly attacked.

How closely the welfare of the South is involved in the welfare of the automobile industry is stated by a writer in a Southern newspaper who says: "The cushions in the cars are padded with cotton. A good portion of the leather comes from the South. More of it would be used if more cattle were produced here. The wheels and bodies are manufactured from the choicest hard woods in the South. Automobile tops are made of cotton and cloth and a patented preparation, some of the ingredients of which are produced in the South. The upholstery that provides the motive power comes from the Southern wells. The chassis of the automobile is made of steel, and the largest mills in the country are located in our neighboring state of Alabama."

A motorist who kept accurate account of his travel cost reports a journey of 2,342 miles made through mountainous Western states, for a party of three, at a total cost of \$248.96. This is \$25 less than the railroad and Pullman fares then in force. With the new rates the cost would be nearly \$45 more for railroad transportation, and that does not take in the cost of food on the way. This bears out the argument that the higher rates for railroad travel will make the motor car even more essential than hitherto.

An observer is authority for the statement that motor truck drivers are courteous on the road because the name of the company owning the truck appears on the vehicle, and every truck driver who is proud of his company knows he can establish good will for it. This has not been our experience because we have found that the average truck driver, far from turning out at the first sound of the horn, usually doesn't hear it for at least the first half hour and the only way you can get by him is to race into the ditch and out again.

Aviator, Injured 20,600 Feet in Air, Masters Parachute

Dragged Out Over Tail of Plane Sergeant's Arm Strikes Rudder, Carrying It Along in Wild Descent

WASHINGTON, Aug. 12.—Army aviators have long since ceased to get many thrills out of routine or even "stunt" flying, it is said, but an exception should be made in the case of two sergeants who recently set out to break the world's altitude record for a parachute jump at McCook Field, Dayton, Ohio, according to an Air Service announcement. The men were Sergeants Strong B. Madan and Ralph Bottrell.

The sergeants, without intimating the nature of their objective, took the air in a Le Pere two-seated plane, with Madan as the pilot and Bottrell wearing a standard army parachute of the double-pack type. After flying for an hour the plane had reached an altitude of 20,600 feet and Sergeant Bottrell started to climb out of the cockpit to make the jump.

The release ring of his parachute, however, accidentally caught on the fuselage of the plane and the parachute opened prematurely, dragging the sergeant out over the tail of the machine. Bottrell's arm struck the rudder of the plane as he went by, tearing some ligaments of his arm and ripping off a sleeve of his fur-lined flying coat. A strap of his harness at the same time caught the rudder and tore it from the plane. The parachute itself was damaged, but opened as the sergeant cleared the machine and started his long descent.

Sergeant Bottrell lost considerable blood from his injured arm during the drop, but made a safe landing in a plowed field and received medical attention in time to prevent any serious result from his injury.

Meantime, Sergeant Madan, in a rudderless airplane, 20,600 feet in the air, was having troubles of his own. He finally found a position where he could maintain a straight flight by keeping the throttle in a certain position and tilting the plane with the ailerons. In this manner he glided down to within about 8,000 feet of earth, where he managed to make a wide turn by juggling his throttle and aileron controls, straightened out and made a perfect landing without further damage to his machine.

New List of Bumpers

A new list of approved automobile bumpers has just been issued by the underwriters. It lists fifteen devices. The types which reduce collision protection premiums by 10 per cent will be furnished on application to the Automobile Editor.

R-38, Greatest Airship, Is Nearing Completion

Mammoth Dirigible, Being Constructed for U. S. Navy, Will Probably Sail in November

WASHINGTON, Aug. 12.—Latest reports received at the Navy Department are that the dirigible R-38, now being constructed for the United States Navy by the Royal Airship Works at Bedford, Eng., is more than 60 per cent completed and probably will be ready to take the air by the latter part of November.

When the great dirigible, which will surpass in size any airship ever constructed, thrusts her nose out of the hangar at Bedford for the first time there will be a trained-to-the-minute American crew aboard to put her through her trial flight. Several training cruises on the British dirigible R-33 offered by the British government for that purpose already have been

made by American naval personnel who will form the R-38's crew, and the mammoth airship will be manned by experienced sailors of the air when she sets out on her transatlantic flight, which officials say will be made next April or May.

With a gas volume of 2,724,000 cubic feet, the R-38 will surpass in size the largest rigid airship yet turned out by the Zeppelin Company, the L-71 by 304,000 cubic feet, and the British dirigible, R-34, which crossed the Atlantic last year, by 711,000 cubic feet. Her six engines will develop 1,950 horsepower, or 130 more than the most powerful Zeppelin craft, and drive the great gas bag at an estimated maximum speed of seventy-five miles an hour.

To accommodate the 604-foot stretch of the R-38, the naval airship hangar at Cape May, N. J., already has been lengthened to 700 feet and also increased in height. The two large hangars now under construction at Lakehurst, N. J., probably will not be completed until July, 1921, or after the R-38's arrival.

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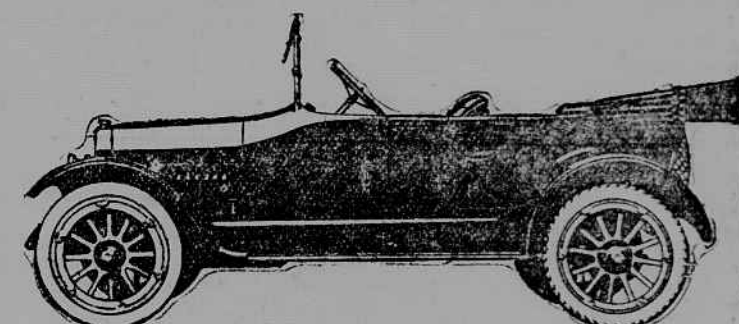
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No Drop in Haynes Prices

Is Statement from Haynes Factory

By ALTON G. SEIBERLING, Vice President and General Manager
The Haynes Automobile Company, Kokomo, Ind., U. S. A.

MANY people have delayed purchasing automobiles this Summer because they have been led to believe that the prices of cars would drop in the not far distant future.

On several occasions we have voiced ourselves that this conclusion was incorrect and that the prices of automobiles could not possibly be lowered. On the contrary, there is some likelihood that the price will go higher.

To back up our statements we quote you the following message which we have just received from Mr. Alton G. Seiberling, Vice President and General Manager of The Haynes Automobile Company. Mr. Seiberling is one of the leading automobile men of the nation, and his judgment can be relied upon. Here is what he says:

"In recent weeks there has been some agitation in certain trade circles, relative to a drop in automobile prices. To such agitation, my straightforward reply is that the prices of automobiles will not come down for some time. In other words, as far as it is possible for us to look into the future for the making of price predictions, we can see no possibility of any reduction in the price of automobiles."

possibility of any reduction in the price of automobiles.

"To-day, as always, material and labor are the controlling factors in the cost of automobile production. Of the materials, steel and iron form the basic metals for the manufacture of the automobile. Experts in the steel and iron industries state that the price of these two commodities cannot fall for a long time to come. The inability of our transportation system to function properly in moving the nation's steel and iron output is the basis of this prediction. Labor, the other determining factor in the cost of automobile production, will not accept any reduction in wages, and it is useless to look for a decrease in cost in this direction.

"These broad economic conditions, coupled with the fact that practically all automobile companies have on hand large inventories of stock that enter into the manufacture of cars, make it mandatory that the price of the fair-priced automobile remain fixed for some time to come."

Mr. Seiberling's message is frank, logical and to the point. If you have delayed purchasing your new series Haynes car in the hope that the prices would fall, we would suggest that you place your order with us immediately so as to insure prompt delivery on the date you specify.

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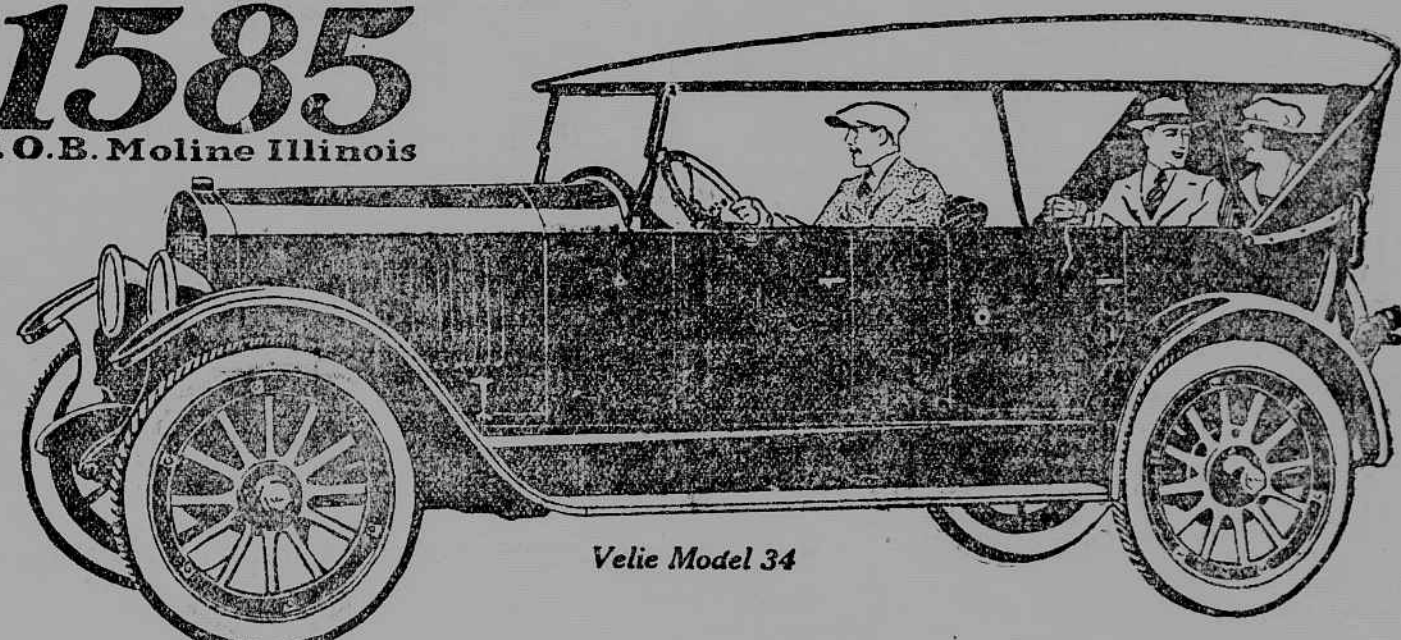
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